PPM 605
MEDICAID RATES

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PURPOSE

The fiscal policies and practices required by **Vocational Rehabilitation (VR)**, including policies and procedures related to the application of Medicaid rates for **physical and mental restoration** services provided, have been established to assure that all expenditures of VR program funds are made in compliance with federal and state fiscal requirements and in a manner that is cost-effective, efficient, and accountable.

[AUTHORITY: Federal regulations, 34 CFR 361.1; 361.12; 361.13(c)]

POLICIES AND PROCEDURES

605-01. Medicaid Rate Use

1. Standard Medicaid Rates

Except as otherwise allowed by policy (see section **605-08** of this chapter), VR will pay published standard Medicaid rates for all medical services, psychological services, and durable medical equipment; however, while VR uses published Medicaid rates, it does not apply Medicaid rules to determine eligibility for services or payments.

2. Special Rates for Ambulatory Surgical Centers (ASCs)

Medicaid sometimes uses higher-than-standard rates for providers that qualify as ambulatory surgery Center (ASC) facilities. Typically, the only indication provided on a billing that the vendor is a qualifying ASC facility will be the higher rates. If a billing indicates that the vendor is an ASC facility, the VR staff processing the claim must verify the vendor's approved ASC status on the Indiana Medicaid website and pay the higher rates indicated, if applicable.

[AUTHORITY: Federal regulations, 34 CFR 361.1; 361.12; 361.13(c)]

605-02. Medicaid Information Sources

VR Counselors and **consumers** can find a list of physicians who accept Medicaid rates on the Indiana Medicaid website, at **www.indianamedicaid.com**. However, counselors and consumers should be aware that a physician's listing on the Medicaid provider list does not ensure that the physician is accepting new patients, and will need to contact the physician's office for that information. The same website also lists **Current Procedural Terminology (CPT) codes** and the Medicaid rates for each procedure.

[AUTHORITY: State agency policy; federal regulations 34 CFR 361.39]

605-03. Notification of the Consumer

The VR Counselor must inform the consumer and, as applicable, the **consumer's representative** during the first consumer-counselor interview that VR uses Medicaid rates to determine the amount it will pay for physical and mental restoration services and equipment. The counselor must provide the consumer or representative with a copy of the **VR consumer handbook, *The Road To Work***, and reference the Medicaid rate rules contained in the handbook.

[AUTHORITY: State agency policy; federal regulations 34 CFR 361.39]

605-04. Service Provider Selection

When scheduling appointments and arranging for purchases, the VR Counselor, secretary, or other VR staff must remind the provider that VR pays only Medicaid-approved rates. If the provider declines to accept Medicaid rates, the counselor, secretary, or other VR staff must contact other vendors to determine whether they will accept the consumer at Medicaid rates.

[AUTHORITY: State agency policy; federal regulations 34 CFR 361.39]

605-05. Current Procedural Terminology (CPT) Codes

1. CPT Codes and Their Use

Current Procedural Terminology (CPT) codes are published by the American Medical Association (AMA) to provide uniform descriptors for medical, surgical, and diagnostic services prescribed and provided. Providers must indicate the appropriate CPT codes for the services provided on billings submitted to VR for payment. If the provider omits the CPT code and the CPT code is required by the **Indiana Rehabilitation Information System (IRIS)**, the service provider must be asked to submit a corrected billing. Some CPT codes also require modifiers to clarify the description of the service. Providers must include applicable CPT modifiers, or must submit a corrected billing.

2. Disallowance of Mixed-Service Claims

A mix of CPT-coded services and non-coded services cannot be included on the same Claim Voucher and, in such cases, the VR Counselor must prepare separate Claim Vouchers.

[AUTHORITY: State agency policy; federal regulations 34 CFR 361.39]

605-06. Use of Comparable Services and Benefits

1. First Use of Insurance and Other Comparable Services and Benefits

The consumer must first use insurance and other available comparable services and benefits before using Medicaid as a source of payment for medical services and equipment. Insurance and all other comparable services and benefits available, including Medicaid, must be used prior to VR funds, consistent with the policies and procedures described in chapter **600-06** of the PPM.

2. Use of VR Funds

VR cannot supplement Medicaid to increase the amount paid to providers for services rendered, but VR funds can be used, for example, to meet insurance co-pays and deductibles that are less than or equal to the established Medicaid rate.

[AUTHORITY: Federal regulations, 34 CFR 361.1; 361.12; 361.13(c); 361.53]

605-07. Fiscal Accountability Requirements

The fiscal accountability requirements described in PPM chapter 600, including policies regarding prior counselor approval, vocational rehabilitation need, plan of services requirements, least cost, comparable services and benefits, price quotes, reasonable fee schedules, contracted services, and authorization and vouchering of payments, also apply to Medicate rate-governed services.

[AUTHORITY: Federal regulations, 34 CFR 361.1; 361.12; 361.13(c); 361.53]

605-08. Exceptions To Medicaid Rate Requirements

The following exceptions apply to the use of published Medicaid rates.

1. Billings For Less Than the Medicaid Rate

When the amount billed by a service provider is less than the Medicaid rate (such as when the consumer or a comparable services and benefits provider pays enough of the costs of medical services that the amount remaining is less than the allowed Medicaid rate), VR will pay the provider the amount billed.

2. Waiver for Unavailability of Providers Accepting Medicaid Rates

A Medicaid Rate Waiver can be granted when no service provider accepting Medicaid rates is available within 50 travel miles of the consumer's place of residence. The waiver allows the consumer to use a

provider whose charges exceed Medicaid rates. Each waiver must be approved by an Area Supervisor and Region Manager. Neither the authorization nor any Claim Vouchers written against it can be processed until the waiver has been approved by both the Area Supervisor and Region Manager.

3. Informed Choice of Providers at Higher Than Medicaid Rates

The consumer has the right to make an informed choice of his or her service providers, and can choose to use a provider who does not accept Medicaid rates, provided that the consumer accepts responsibility for the difference in cost. In such cases, the counselor must document the consumer's decision and agreement to pay the difference in cost in the consumer's record of services and on the authorization to the provider.

4. No Medicaid Rate or $0 Medicaid Rate

If there is no set Medicaid rate for a CPT code, or if the set Medicaid rate is $0, VR will pay 90 percent of the amount billed (90% of the provider's usual and customary fee).

5. Services Having No Applicable CPT Code

If there is no applicable CPT code for the service provided, VR will pay the billed amount or a negotiated alternative rate.

6. Medications

VR pays for prescribed pharmaceuticals and medical supplies at the rate billed; not at Medicaid rates.

7. Low Vision Aids and CCTVs

VR pays for low vision aids and CCTVs at the billed or a negotiated rate; not at Medicaid rates.

8. Hearing Aids

Hearing aids are purchased at contracted rates established by the **Family and Social Services Administration (FSSA)** with manufacturers; not at Medicaid rates.

[AUTHORITY: State agency policy; federal regulations 34 CFR 361.39]